

TRENDS

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State Plan Prescription Drug Volume Continues to Grow

The State Health Plan (SHP) Prescription Drug Program provides subscribers with discounted prescription drug prices through a network of Plan pharmacies. The program has been in effect since January 1995.

Under the Plan, subscribers initially pay for prescription drugs at discounted prices, then are reimbursed according to their coverage percentage once the subscriber's annual SHP deductible is met.

Merck-Medco Managed Care is the Plan's Pharmacy Benefits Manager (PBM).

The following study examines prescription drug trends from 1995 through 1997.

Frequency

In 1997, SHP members filled a total of 2.76 million prescriptions with a 1997 date of service, a 7.4 percent increase from the 2.57 million filled in 1996, which in turn grew from 2.37 million prescriptions filled in 1995. The Plan allowed for \$86.6 million in charges for these prescriptions at an average allowable charge of \$31.38 per prescription. This amount includes Plan payments plus patient liability for deductibles and coinsurance. In

1996, allowable charges totaled \$74.2 million with an average allowable charge of \$28.87.

State Health Plan growth in prescription volume is consistent with that observed nationally. National drug prescriptions rose from 1995 to 1997. According to the National Association of Chain Drug Stores, the number of retail prescriptions dispensed annually has increased from 2.37 billion in 1995 to 2.62 billion in 1997.

The top five drugs prescribed to SHP insureds in 1997 made up 8.1

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The Preventive Series Part I: The Well Child Care Benefit

About the Series...

Preventive care is an important factor in controlling rising health care costs. This series will highlight some of the preventive care services provided under the State Health Plan.

During 1997, the State Health Plan (SHP) insured an average of 91,184 children. These children made up 29.3 percent of 1997 total insured lives. Claims payments made on behalf of this population totaled \$60.6 million (12.6 percent of total claims payments) at an average of \$664.38 per child. Adult claims payments in 1997 totaled

\$419.8 million at an average of \$1,912.16 per adult.

In 1996, the SHP insured an average of 88,566 children. Claims payments on behalf of children totaled \$55.7 million (12.5 percent of total claims payments) at an average of \$629.46 per child. Adult claims

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Continuing SHP Coverage through COBRA

In 1985, Congress passed the Consolidated Omnibus Budget Reconciliation Act (COBRA). Under federal COBRA law, employers are required to offer covered employees and covered family members the opportunity for a temporary extension of health and/or dental coverage at group rates when coverage under the plan would otherwise end due to certain qualifying events.

An employee covered under the State Health Plan (SHP) and/or dental plan may qualify for coverage under COBRA if the employee loses health and/or dental coverage due to termination of employment (for reasons other than gross misconduct) or a reduction in hours of employment.

Covered spouses of SHP subscribers have the right to elect continuation of coverage if coverage is lost due to the termination or reduction in hours of their spouses employment, the death of their spouse, a divorce or legal separation from their spouse, or if the spouse becomes entitled to Medicare.

Covered dependent children of SHP subscribers have the right to elect continuation of coverage if coverage is lost due to the termination or reduction in hours of the employee's employment, the death of the employee, a divorce or legal separation of the child's parents, if the employee becomes entitled to Medicare, or if the child ceases to

be a "dependent child."

The length of continuation coverage available under COBRA is dependent upon the qualifying event. The SHP COBRA coverage lengths are 18, 29 or 36 months. Premiums also vary according to length of coverage and coverage type.

charge. When continuation coverage is extended from 18 months to 29 months due to Social Security disability, OIS will charge 150 percent of the applicable premium during the extended coverage period.

For the purpose of comparative analysis, the 1997

monthly premium for an active subscriber in the "employee only" tier under the Standard Plan was compared to COBRA coverage options under the Standard Plan in the "subscriber only" tier.

Because there is no employer contribution, premiums for COBRA subscribers with continuation coverage of 18 or 36 months were nine times higher than the premiums of active subscribers in this coverage tier. Active employees in the "employee only" tier under the Standard Plan paid premiums of \$14.72 per month while 18 or 36-month COBRA subscribers paid monthly premiums of \$145.67 for the "subscriber only" tier in 1997.

COBRA subscribers covered under the 29-month level of coverage pay a higher monthly premium of \$214.22, over 14 times the premiums of active subscribers.

1997 SHP Premium Comparison Actives vs. COBRA

Active Employees

	State Health Plan	
	Economy	Standard
Employee only	\$11.70	\$14.72
Employee/spouse	\$77.56	\$97.02
Employee/children	\$41.32	\$51.74
Full family	\$113.64	\$142.12

COBRA*

18 and 36 months

	State Health Plan	
	Economy	Standard
Subscriber only	\$142.59	\$145.67
Employee/spouse	\$288.00	\$307.85
Employee/children	\$230.98	\$241.61
Full family	\$374.74	\$403.79
Children (age 18 and under)	\$88.39	\$95.94

29 months

	State Health Plan	
	Economy	Standard
Subscriber only	\$209.69	\$214.22
Employee/spouse	\$423.53	\$452.72
Employee/children	\$339.68	\$355.31
Full family	\$551.09	\$593.81
Children (age 18 and under)	\$129.99	\$141.09

* Note: COBRA rates include the employer and employee share of the contribution, plus a 2% administrative fee.

The impact of COBRA on the SHP from 1994 through 1997 was reviewed.

Premiums

COBRA subscribers are responsible for all applicable premiums including the share the employer pays for active employees in addition to a two percent administration

Enrollment

Annual average enrollment in the SHP under COBRA increased by 12.9 percent from 1,329 in 1994 to 1,501 in 1997. Most of the

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COBRA

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page 2

increase occurred between 1996 and 1997 as enrollment increased by 7.4 percent in 1997 to 1,501 from the 1996 average enrollment of 1,398.

COBRA enrollment under the Standard Plan comprised the largest percentage of total 1997 COBRA enrollment with 1,296 subscribers (86.3 percent of total COBRA enrollment). The majority of COBRA subscribers were covered under the 18-month level of coverage. COBRA subscribers enrolled under this coverage level totaled 1,013 in 1997. Subscribers covered under COBRA with the 36-month level of coverage totaled 477 (31.8 percent of total COBRA enrollment) in 1997.

In 1997, most of the individu-

als continuing their coverage under COBRA did not cover dependents. Enrollment in the "subscriber only" tier totaled 1,082 (72 percent of average COBRA enrollments).

Average COBRA enrollment for the "full family" tier ranked second in 1997. This tier's average enrollment was 150. The Standard Plan had the highest enrollment under this

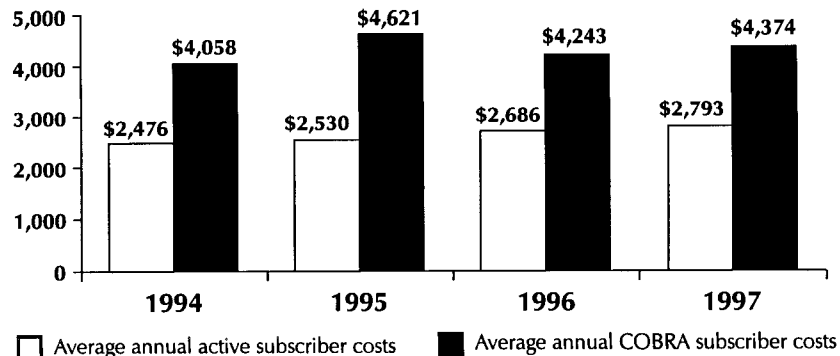
tier with 145 subscribers (96.7 percent of the tier's enrollment).

Costs

A comparison of COBRA costs to active subscriber costs from 1994 to 1997 was conducted. The analysis showed that the

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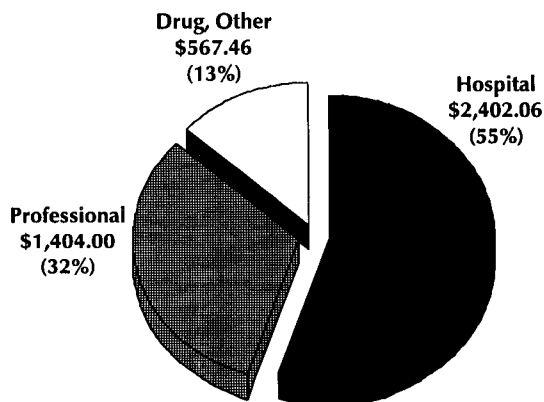
SHP Annual Costs per Subscriber Active vs. COBRA



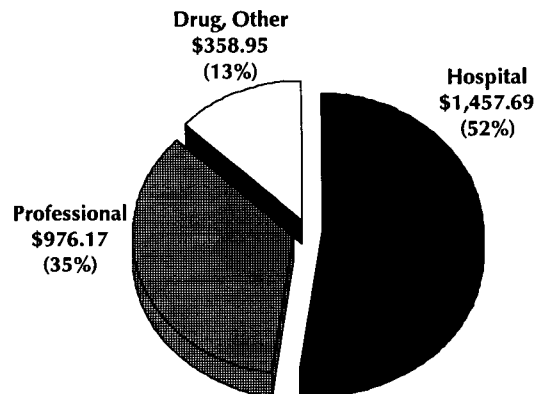
	Years			
	1994	1995	1996	1997
Ratio of COBRA costs to active costs	164%	183%	158%	157%
Average annual active subscriber costs	\$2,476.16	\$2,530.27	\$2,686.46	\$2,792.82
Average annual COBRA costs	\$4,058.45	\$4,621.48	\$4,242.56	\$4,373.51

1997 SHP Subscriber Costs Allocation: COBRA vs. Active Subscribers

COBRA Costs



Active Costs



The Well Child Care Benefit

Continued from page 1

payments in 1996 totaled \$390.2 million at an average of \$1,831.06 per adult.

These children are the dependents of SHP subscribers in the "subscriber/child" or "full family" coverage tier. Under the SHP, children are eligible for benefits until age 19, or until age 25 if they are full-time students. Benefits coverage may also be extended past age 19 if the child is deemed medically incapacitated with approval by the Office of Insurance Services (OIS).

Regular checkups and proper immunizations are two of the most effective ways of promoting

healthy development in covered children. Through regular doctor

SHP Well Child Care Benefit Office Visit Schedule	
Age	Number of Visits
Less than 1	5 per Year
1	3 per Year
2 - 5	1 per Year
6 - 8	1
9 - 12	1

visits, developmental and/or medical concerns can be detected and treated in the earliest stages. Proper childhood immunizations provide these children the best available protection

against several dangerous childhood diseases.

Although well child benefits vary from insurer to insurer, many health plans have recognized the importance of these benefits to their subscribers and to their plan's bottom line.

The SHP has recognized this need by establishing the Well Child Care Benefit. The SHP Well Child Care Benefit provides coverage for routine check-ups and

immunizations for covered dependent children from birth through age 12.

Under the Well Child Care

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Recommended Childhood Immunization Schedule United States, January - December 1998

Vaccines are listed within the routinely recommended ages. Shaded bars indicate range of acceptable ages for immunization. Catch-up immunization should be done during any visit when feasible. Shaded ovals indicate vaccines to be assessed and given if necessary during the early adolescent visit.

Age ► Vaccine ▼	Birth	1 mo	2 mos	4 mos	6 mos	12 mos	15 mos	18 mos	4-6 yrs	11-12 yrs	14-16 yrs
Hepatitis B	Hep B-1		Hep B-2		Hep B-3					Hep B	
Diphtheria, Tetanus Pertussis			DTaP or DTP	DTaP or DTP	DTaP or DTP		DTaP or DTP		DTaP or DTP	Td	
H influenzae type b			Hib	Hib	Hib	Hib					
Polio			Polio	Polio		Polio			Polio		
Measles, Mumps, Rubella						MMR			MMR	MMR	
Varicella						Var				Var	

Approved by the Advisory Committee on Immunization Practices (ACIP), the American Academy of Pediatrics (AAP), and the American Academy of Family Physicians (AAFP).

Well Child Care

Continued from page 4

Benefit, regular doctor visits and immunizations are covered at 100 percent without any deductible or coinsurance, when provided by SHP Network providers. **No coverage for well child visits and immunizations is available outside the Network.** Services rendered as the result of an illness discovered at the time of the well child visit are considered regular Plan expenses and subject to deductible and coinsurance as with any other medical expenses.

The Well Child Care Benefit became effective on January 1, 1996. It was developed after the Office of Insurance Services (OIS) reviewed recommendations for well child visits and immunizations from the

American Academy of Pediatrics (AAP) and OIS benefits consultants.

Office Visits

The number of well child care office visits covered by the SHP varies according to the covered child's age. Children less than one year of age are eligible for five well child benefit office visits. One visit per year is provided for children ages two through five; one visit for children ages six through eight years; and one visit for children ages nine through twelve

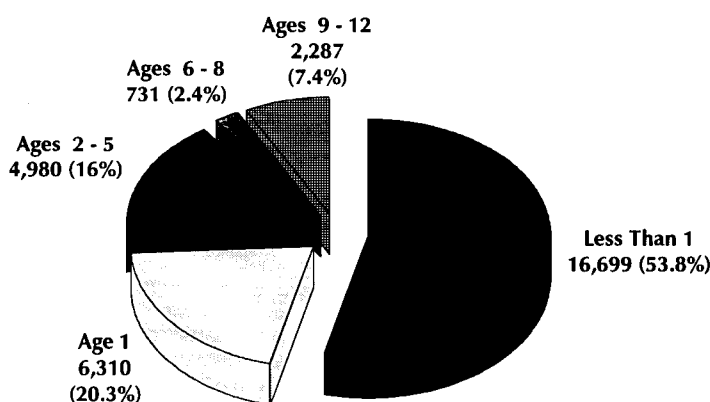
years.

Immunizations

The development of vaccinations for diseases is one of the more important medical advances mankind has made. The incidences of several diseases once known for causing death and suffering have been dramatically reduced. During the mid-1960s, some ten to fifteen million cases of smallpox occurred.

The Hepatitis B vaccination helps protect children from hepatitis B, which causes liver disease. The Polio vaccine protects against polio, a highly infectious disease that causes the motor neurons of the spinal cord and brainstem to inflame which may lead to paralysis, muscular atrophy, and deformities. DTP vaccines protect against diphtheria, tetanus (lockjaw), and pertussis (whooping cough). Hib vaccines protect children against Haemophilus influenzae type B, a leading cause of spinal meningitis. MMR vaccines provide protection against measles, mumps, and rubella (German measles). The Varicella vaccine provides protection from chickenpox, caused by the varicella virus.

1997 SHP Well Child Care Immunizations By Age



Note: The immunization figures for Ages 12+ (23, 0.7 %) were too small to be represented in this pie chart.

After the development of smallpox vaccines, the disease was eradicated during the 1970s. The success of this immunization and others underscores the importance of immunizations as a line of defense against childhood diseases.

The Well Child Care Benefit provides immunizations according to the Plan's recommended childhood immunization schedule. Covered immunizations include: Hepatitis B; Polio; Diphtheria-Tetanus-Pertussis (DTP); Haemophilus (Hib); Measles-Mumps-Rubella (MMR); Chickenpox.

Utilization

Subscriber participation is necessary for the Well Child Benefit to make its intended impact on covered children's lives. Since benefits are only payable to network providers, OIS has worked to provide ample access to SHP Physician Network physicians.

SHP Physician Network office visits and immunizations provided in 1997 were analyzed by OIS staff.

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'97 Prescription Drugs

Continued from page 1

percent
of total
drug
pre-
scrip-
tions
under
the
State
Health
Plan.
These
five
drugs

comprised 8.5 percent of the Plan's total allowable prescription charges and had an average allowable charge of \$32.87 per prescription.

Premarin was the most frequently prescribed drug for the State Health Plan in 1997. It is used to treat menopausal symptoms

and as a therapy for women with inadequate estrogen production. Premarin's 74,054 prescriptions in 1997 (2.7 percent of total prescriptions filled) totaled \$1.7 million in allowable charges with an average allowable charge of \$24.15 per prescription. In 1997, Premarin

prescriptions grew by 4 percent from the 71,189 prescriptions filled in 1996.

Synthroid was the second most frequently prescribed drug in 1997 with 49,629 prescriptions (1.8 percent of total prescriptions filled)

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1997 SHP Top 5 Prescription Drugs By Frequency

SHP Rank	Drug Name	Therapeutic Class	Total Rxs	Allowable Charges	Allowable per Rx	% Total Rxs	% Total Allowable \$
1	Premarin	Estrogens	74,054	\$1,788,531	\$24.15	2.7%	2.1%
2	Synthroid	Thyroid Agents	49,629	\$681,327	\$13.73	1.8%	0.8%
3	Norvasc	Cardiac Drugs	36,700	\$1,638,122	\$44.64	1.3%	1.9%
4	Prozac	Antidepressants	34,391	\$2,549,442	\$74.13	1.2%	2.9%
5	Preempro	Estrogens	29,034	\$699,007	\$24.08	1.1%	0.8%
Total For Top 5			223,808	\$7,356,429	\$32.87	8.1%	8.5%
Total For All Prescriptions			2,760,628	\$86,642,281	\$31.38		

1997 SHP Top 25 Prescription Drugs By Allowable Charges

SHP Rank	Nat'l. Rank	Drug Name	Therapeutic Class	Total Rxs	Allowable Charges	Allowable per Rx	% Total Rxs	% Total Allowable \$
1	2	Prozac	Antidepressants	34,391	\$2,549,442	\$74.13	1.25%	2.94%
2	1	Prilosec	Miscellaneous GI Drugs	26,110	\$2,388,127	\$91.46	0.95%	2.76%
3	3	Zocor	Antilipemic Agents	25,237	\$1,954,187	\$77.43	0.91%	2.26%
4	11	Premarin	Estrogens	74,054	\$1,788,531	\$24.15	2.68%	2.06%
5	8	Norvasc	Cardiac Drugs	36,700	\$1,638,122	\$44.64	1.33%	1.89%
6	5	Zoloft	Antidepressants	26,283	\$1,543,805	\$58.74	0.95%	1.78%
7	6	Claritin	Antihistamine Drugs	26,689	\$1,353,422	\$50.71	0.97%	1.56%
8	9	Procardia XL	Cardiac Drugs	24,102	\$1,233,257	\$51.17	0.87%	1.42%
9	7	Paxil	Antidepressants	21,317	\$1,211,494	\$56.83	0.77%	1.40%
10	13	Pravachol	Antilipemic Agents	18,747	\$1,206,206	\$64.34	0.68%	1.39%
11	10	Vasotec	Cardiac Drugs	23,870	\$998,781	\$41.84	0.86%	1.15%
12	4	Zantac	Miscellaneous GI Drugs	12,816	\$942,851	\$73.57	0.46%	1.09%
13	20	Prevacid	Miscellaneous GI Drugs	10,985	\$931,102	\$84.76	0.40%	1.07%
14	15	Cardizem CD	Cardiac Drugs	18,410	\$899,344	\$48.85	0.67%	1.04%
15	21	Glucophage	Misc. Antidiabetic Agents	22,268	\$829,739	\$37.26	0.81%	0.96%
16	17	Imitrex	Misc. Central Nervous System	9,100	\$812,390	\$89.27	0.33%	0.94%
17	26	Lipitor	Antilipemic Agents	13,323	\$808,527	\$60.69	0.48%	0.93%
18	18	Mevacor	Antilipemic Agents	9,832	\$773,433	\$78.66	0.36%	0.89%
19	41	Zithromax	Macrolides	22,117	\$766,679	\$34.66	0.80%	0.88%
20	12	Augmentin	Penicillins	13,389	\$718,124	\$53.64	0.48%	0.83%
21	14	Biaxin	Macrolides	13,856	\$717,614	\$51.79	0.50%	0.83%
22	23	Hytrin	Hypotensive Agents	15,557	\$715,918	\$46.02	0.56%	0.83%
23	40	Preempro	Estrogens	29,034	\$699,007	\$24.08	1.05%	0.81%
24	24	Relafen	Nonsteroidal Anti-Inflammatory	12,378	\$691,002	\$55.83	0.45%	0.80%
25	27	Synthroid	Thyroid Agents	49,629	\$681,327	\$13.73	1.80%	0.79%
Total For Top 25				590,194	\$28,852,430			
Total For All Prescriptions				2,760,628	\$86,642,281			

Prescription Drugs

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and an average allowable charge of \$13.73 per prescription. It is primarily used to treat hyperthyroidism, a condition caused by an overactive thyroid gland, resulting in increased metabolic rate, nervousness, enlargement of the thyroid gland, weight loss and increased heart rate. Synthroid prescriptions have increased by 8.8 percent since the 1996 total of

45,623

prescriptions and have nearly tripled the 16,609 posted in 1995.

The third most pre-scribed drug to SHP insureds in 1997 was

Norvasc, a calcium blocker indicated for the treatment of hypertension, chronic stable angina, and vasospastic angina. In 1997, Norvasc prescriptions totaled 36,700 (1.3 percent of total prescriptions filled), with an average allowable charge of \$44.64 per prescription. Norvasc ranked fifth in prescriptions during 1996 with 28,278. Prescriptions for the drug rose by 29.8 percent in 1997.

Allowable Charges

The allowable charge is the maximum amount the Plan will pay for a covered prescription drug.

While total SHP prescriptions filled increased by 14.9 percent from 1995 to 1997, total allowable charges rose by 35 percent during the same time span. In 1995, annual allowable charges totaled \$64.2 million. By 1997, annual allowable charges had increased to \$86.6 million.

An analysis of the SHP's top

25 prescription drugs' growth was done by categorizing the drugs by allowable charges. These drugs were compared to the national top 200 drugs based on total retail sales. National rankings were obtained from the Scott-Levin's Source Prescription Audit "Top 200 Drugs" in the 1998 Drug Topics RED BOOK, published by Medical Economics Co., Inc., of Montvale,

grew by 40 percent from the 1996 allowable charges total of \$1.7 million. Prilosec posted an average allowable charge per prescription of \$91.46 in 1997. Nationally, Prilosec ranked first in 1997 retail prescription drug sales.

The drug ranked third in 1997 SHP allowable charges was Zocor. In 1997, Zocor had total allowable charges of \$1.9 million (2.3

percent of total allowable charges). It is a lipid-altering agent used in the treatment of coronary heart disease and hypercholesterol. Zocor's average allowable charge per prescription in 1997 was

\$77.43. The drug also ranked third in national 1997 retail prescription drug sales.

Drug Growth

The percentage of a drug's annual allowable charges to total annual allowable charges was used to determine a drug's market share of SHP allowable charges. Each drug's market share was analyzed to determine the drug's net loss or gain of SHP market share from 1996 to 1997.

Lipitor, a blood-pressure-reducing drug, had the largest growth in market share in 1997. In 1996, Lipitor comprised less than .01 percent of allowable charges. The drug increased its share to 0.93 in 1997. Lipitor's 1997 allowable charges totaled \$0.8 million. Lipitor had an average allowable charge per prescription of \$60.69

1997 Fastest Growing Drugs By SHP Market Share

Drug Name	Therapeutic Class	Allowable Charges	Growth
Lipitor	Antilipemic Agent	\$808,527	0.93%
Prevacid	Miscellaneous GI Drugs	\$931,102	0.49%
Prilosec	Miscellaneous GI Drugs	\$2,388,127	0.43%
Pravachol	Antilipemic Agent	\$1,206,206	0.34%
Preempro	Estrogens	\$699,007	0.32%

New Jersey.

The SHP top 25 drugs by allowable charges in 1997 consisted of 21 drugs that ranked in the national top 25 drugs by sales dollars.

Prozac comprised the largest percentage of 1997 allowable charges with \$2.5 million (2.9 percent of total allowable charges). This antidepressant is used to treat depression, obsessive-compulsive disorder, and bulimia nervosa. Prozac, with 34,391 prescriptions in 1997, had an allowable charge per prescription average of \$74.13. The drug's 1997 allowable charges increased by 8.3 percent from the 1996 total of \$1.3 million (3 percent of 1996 total allowable charges). It ranked second nationally in 1997 retail prescription drug sales.

Prilosec ranked second in 1997 SHP allowable charges with \$2.4 million (2.8 percent of total allowable charges). Primarily used to treat ulcers, Prilosec allowable charges

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Prescription Drugs

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in 1997, with 13,323 prescriptions filled.

Prevacid had the second highest market share growth in 1997, with an increase of 0.49 percent. In 1996, Prevacid made up 0.6 percent of

total allowable charges. By the end of 1997, its share of annual allowable charges had risen to 1.1 percent for the year. Prevacid is used to treat ulcers. The drug's 1997 allowable charges totaled \$0.9 million. Prevacid had an average allowable charge per prescription of \$84.76 in 1997, with 10,985 prescriptions filled.

Therapeutic Categories

Prescription drugs are combined into therapeutic categories defining their uses. In 1997, the top ten therapeutic categories by allowable charges represented over 1.2 million (46.6 percent) of total prescriptions filled, and \$46 million (56.4 percent) of total allow-

1997 SHP Prescription Drug Program Top 10 Therapeutic Category by Allowable Charges

Therapeutic Category	Total Rx's	Allowable Charges	Allowable per Rx	% of Total Rx	% of Allowable \$
Antidepressants	156,013	\$6,704,015	\$42.97	5.8%	8.2%
Antispasm, Antisecr., Other	82,865	\$5,839,288	\$70.47	3.1%	7.2%
Calcium Blocking Agents	136,069	\$5,629,268	\$41.37	5.0%	6.9%
Antihypertensive Drugs	159,172	\$4,986,393	\$31.33	5.9%	6.1%
Cholesterol Reducers	81,201	\$4,879,837	\$60.10	3.0%	6.0%
Antibiotics, Broad & Medium	183,904	\$4,686,597	\$25.48	6.8%	5.7%
Sex Hormones	181,388	\$4,339,760	\$23.93	6.7%	5.3%
Antiarthritics, Systemic	82,670	\$3,112,803	\$37.65	3.1%	3.8%
Antihistamines, Caps & Tabs	76,592	\$3,000,215	\$39.17	2.8%	3.7%
Beta & Alpha-Beta Blockers	120,227	\$2,847,428	\$23.68	4.4%	3.5%
Total for Top 10	1,260,101	\$46,025,604	\$36.53	46.6%	56.4%
Grand Total	2,706,605	\$81,582,549	\$30.14		

able charges.

The top ten therapeutic categories by frequency comprised 49.0 percent (1.3 million) of the total number of prescriptions with 50.1 percent, or \$40.8 million, of total allowable charges. Eight of these top ten therapeutic categories by frequency were also in the top 10 ranked by allowable charges.

The *Antidepressant* therapeutic category ranked first in allowable charges and fourth in frequency. Antidepressants represented 8.2

percent (\$6.7 million) of total allowable charges and accounted for 5.8 percent of total 1997 prescriptions filled.

Allowable charges also increased by 19.7 percent to \$6.7 million (\$42.97 average per prescription) in 1997 from \$5.6 million (\$39.39 average per prescription) in 1996.

Prescriptions for antidepressants have increased by 9.8 percent since 1996. In 1996, over 142,135

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1997 SHP Prescription Drug Program Top 10 Therapeutic Category by Frequency

Therapeutic Category	Total Rx's	Allowable Charges	Allowable per Rx	% of Total Rx	% of Allowable \$
Antibiotics, Broad & Medium	183,904	\$4,686,597	\$25.48	6.8%	5.7%
Sex Hormones	181,388	\$4,339,760	\$23.93	6.7%	5.3%
Antihypertensive Drugs	159,172	\$4,986,393	\$31.33	5.9%	6.1%
Antidepressants	156,013	\$6,704,015	\$42.97	5.8%	8.2%
Calcium Blocking Agents	136,069	\$5,629,268	\$41.37	5.0%	6.9%
Beta & Alpha-Beta Blockers	120,227	\$2,847,428	\$23.68	4.4%	3.5%
Diuretics, Non-Injectable	117,575	\$1,175,681	\$10.00	4.3%	1.4%
Analgesics, Narcotic	105,973	\$1,513,272	\$14.28	3.9%	1.9%
Antispasm, Antisecr., Other	82,865	\$5,839,288	\$70.47	3.1%	7.2%
Antiarthritics, Systemic	82,670	\$3,112,803	\$37.65	3.1%	3.8%
Total for Top 10	1,325,856	\$40,834,505	\$32.12	49.0%	50.1%
Grand Total	2,706,605	\$81,582,549	\$30.14		

Prescription Drugs

Continued from page 8

prescriptions were filled for antidepressants. This number climbed to over 156,013 prescriptions filled in 1997.

The *Antiplasmodic, Antisecretion, Other* therapeutic category ranked second in 1997 allowable charges and ninth in total prescriptions by frequency. The category composed 7.2 percent of total allowable charges and 3.1 percent of total prescriptions filled in 1997.

Antiplasmodic, Antisecretion, Other allowable charges grew by 94 percent to \$5.8 million (\$70.47 average per prescription) in 1997 from \$3.5 million (\$61.55 average per prescription) in 1996.

Antiplasmodic, Antisecretion, Other prescriptions rose by 46.4 percent since 1996. In 1996, 56,589 prescriptions were filled for this therapeutic category. This number grew to 82,865 prescriptions filled in 1997.

The *Calcium Blocking Agents* therapeutic category ranked third in allowable charges with 6.9 percent or \$5.6 million (\$41.37 average per prescription). This is a 12.5 percent increase from the 1996 total of \$5.0 million (\$40.55 average per prescription).

Calcium Blocking Agents total prescriptions increase by 10.2 percent to 136,069 from the 123,423 posted in 1996.

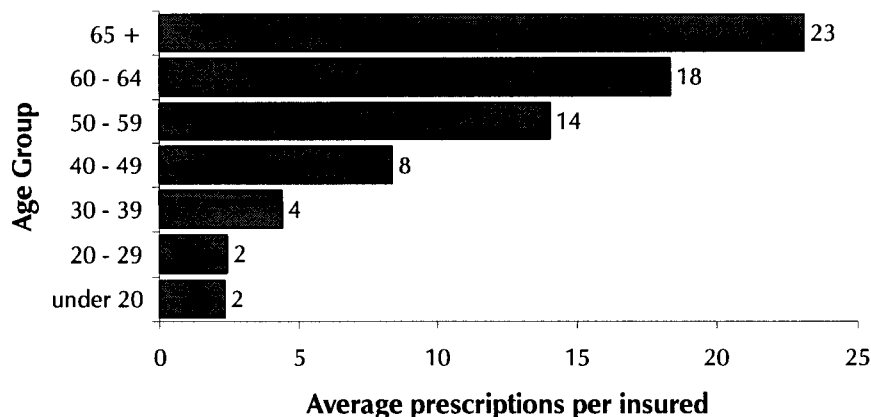
Utilization

More insureds age 65 and older filled prescriptions in 1997 than any other age group. Comprising 12.4 percent of total 1997

enrollment, this age group averaged 23 prescriptions filled per insured per

Subscribers' dependents accounted for 26 percent (over 720,192

1997 SHP Insureds Average Prescriptions Filled By Age Group



year and accounted for 32 percent (889,443 prescriptions) of the prescriptions filled in 1997. In 1997, the "65 and older" age group had \$26 million in Plan payments. The vast majority of this group is comprised of retirees and their spouses. In 1996, this age group made up 31.5 percent (804,005 prescriptions) of the prescriptions filled and 31 percent (\$17.2 million) in Plan payments.

The age group "Age 50 - 59" ranked second in 1997 prescriptions filled with over 641,878 (23.1 percent) prescriptions. Insureds in this age group averaged 14 prescriptions filled per insured. The age group's Plan payments totaled \$8.1 million in 1997.

The 1997 average age per prescription drug claim was 54.26. In 1996, the average age was 53.61.

Female insureds accounted for 68.3 percent of 1997 prescription drug claims, as was the case in 1996.

SHP subscribers filled 74 percent (2.05 million prescriptions) of total prescriptions filled in 1997 with Plan payments totaling \$48.6 million.

prescriptions) of total prescriptions and \$16.8 million in plan payments. Spouses made up the majority of the dependent totals as they accounted for 18.2 percent (over 503,105 prescriptions) of total prescriptions and \$12.0 million in Plan payments in 1997.

Conclusion

National drug prescriptions and prices continue to rise. Prescription drugs are making a larger impact on the SHP each year as well. In 1995, prescription drug payouts made up 11.6 percent of total SHP payouts. By 1997, prescription drugs accounted for 13.6 percent of total SHP payouts.

Prescription drug data allows for detailed analysis of diseases and illnesses prevalent among SHP insureds. From such analysis, the SHP is able to target health education initiatives more accurately as the Plan continues to seek ways of managing costs while meeting the healthcare needs of insureds. □

Well Child Care

Continued from page 5

The SHP provided 33,646 well child care office visits and immunizations during 1997 with a plan payment cost of \$1.45 million.

In 1997, 31,030 immunizations were covered under the Well Child Benefit. Children less than age one received 16,699 immunizations which comprises 53.8 percent of total 1997 immunizations. According to the SHP recommended immunization schedule, children should receive the majority of the recommended immunizations during the first year of their lives. Children at age one received 6,310 immunizations, or 20.3 percent of the 1997 total. Well Child Benefit

immunizations for children ages two through five totaled 4,980, or 16 percent. Children ages six through eight received 731 immunizations (2.4 percent) while eligible children ages 9-12 comprised 7.4 percent, or 2,287 of 1997 well child immunizations.

Immunizations during 1997 were also analyzed by geographical areas. The Columbia area (Fairfield, Kershaw, Lexington, Newberry, and Richland counties) led with 8,836 well child care immunizations. The Charleston area (Berkeley, Charleston, Colleton, and Dorchester counties) was second in immunizations with 5,499 during 1997. The Greenville area (Anderson,

Greenville, Oconee, and Pickens) had the third most immunizations with 4,608.

The Well Child Benefit plays an important role ensuring that subscriber children develop into healthy adults. Preventive care benefits such as the Well Child Care Benefit help OIS maintain its commitment to keeping premium increases minimal while providing advantageous benefits to subscribers.

The preventive series continues next issue with a look at the Mammography Testing Program.

COBRA

Continued from page 3


SHP's annual costs per subscriber associated with providing benefits to COBRA subscribers exceed the costs of providing these benefits to SHP active employees.

Costs per COBRA subscriber exceeded active subscriber costs each year of analysis. In 1994, the SHP's average COBRA costs per subscriber of \$4,058.45 exceeded the SHP's active subscriber average costs of \$2,476.16 per subscriber by 164 percent. Although there is no direct employer contribution for COBRA coverage, the consistently higher payout by the Plan for COBRA subscribers, (around \$1,600/year) can be considered an indirect employer subsidy for these persons' health insurance coverage.

A larger percentage of COBRA subscriber plan payments were composed of hospital payments. Hospital payments made up 55 percent (\$3.6 million) of total SHP COBRA plan payments. In comparison, 52 percent (188.1

million) of SHP active subscriber plan payments were attributed to hospital payments. Inpatient care payments accounted for 67.2 percent (\$2.4 million) of SHP COBRA subscriber hospital payments. Inpatient payments for active subscribers made up 61.5 percent (\$115.6 million) of active subscriber hospital payments.

The average hospital inpatient length of stay for COBRA insureds was 4.1 days in 1997. Active insureds averaged 4.2 days per inpatient hospitalization in 1997.

Continuing healthcare coverage through COBRA can be an expensive option for meeting subscriber healthcare needs. While subscribers pay higher premiums, the SHP also incurs a larger cost per subscriber. Despite the costs, COBRA continuance coverage provides eligible individuals with a valuable option to meeting their health insurance needs. 

A New Face On *TRENDS* Staff...

Hello Patrick...

The Office of Insurance Services is pleased to welcome Patrick Harvin to our staff as the new editor of *TRENDS*. Patrick has accepted the position of Program Coordinator within the Research and Statistics Unit in OIS.

Patrick joins OIS after having worked for two years as an Statistical and Research Analyst in Labor Market Information at the South Carolina Employment Security Commission.

Patrick is a graduate of the University of South Carolina with a Bachelors Degree in Business Economics and Management.

We wish Patrick well in his new position.

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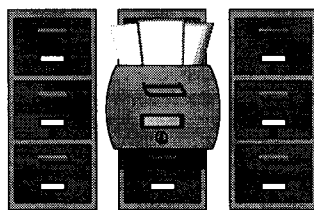
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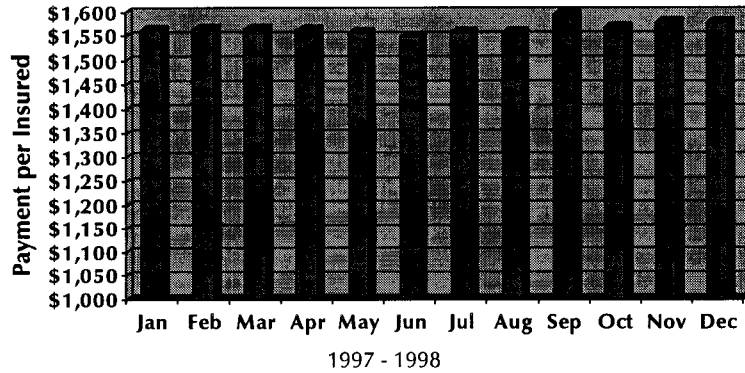
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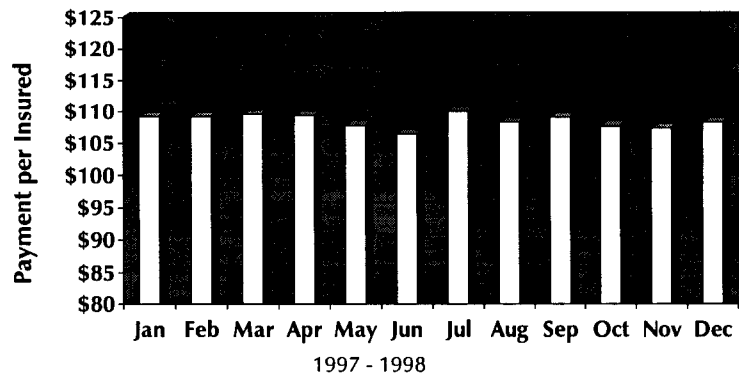
SHP Medical Payments in Prior Year Ending in Month Listed

For example, the January total equals payments made February 1997 - January 1997.



State Dental Plan Payments in Prior Year Ending in Month Listed

For example, the January total equals payments made February 1997 - January 1997.



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